Growth of India's Exports

2770, SHRI ASHOK MITRA: Will the Minister of COMMERCE be pleased to state:

(a) the annual compound rate of growth of India's exports during the decade 1981-82 to 1990-91 and the compound fate of growth in the seven years beginning with 1991-92;

(b) the extent of depreciation in the value of "the Indian rupee since June, 1991; and

(c) whether any negative relationship is establishable between India's export growth and the depreciating rupee?

THE MINISTER OF COMMERCE (SHRI RAMA KRISHNA HEGDE): (a) The annual rate of growth of India's exports during the decade 1981-82 to 1990-91 in dollar terms are:

Year	Rate of growth (%)
1981-82	2.6
1982-83	4.6
1983-84	3.8
1984-85	4.5
1985-86	9.9
1986-87	9.4
1987-88	24.1
1988-89	15.6
1989-90	19.0
1990-91	9.1

The compound growth rates of India's exports during the decade 1981-82 to 1990-91 and during the seven year period 1991-92 to 1997-98 in dollar terms are 7.6% and 9.6% respectively.

(b) Between June, 1991 and May 1998, the rupee depreciated by around 48%,

(c) Exchangerate depreciation does help to improve export competitiveness. But there are other factors equally important for increasing export competitiveness *viz.*. productivity, product quality, international demand, trade growth etc. Also, the effect of rupee depreciation would vary among various export sectors depending upon import intensity, value addition, demand elasticity etc.

Quantitative Restrictions on Imports

2771. SHRI ASHOK MITRA: Will the Minister of COMMERCE be pleased to state:

(a) whether under Article XVIII-B of the Marrakesh Treaty the developing, countries are entitled to retain quantitative restrictions on imports for balance of payment reasons;

(b) whether a number of advanced industrial countries led by the United States of America have been pressurising our Government to waive its prerogative under Article XVIII-B; and

(c) the nature of measures Government have undertaken to protect national interests in the matter?

THE MINISTER OF COMMERCE (SHRI RAMA KRISHNA HEGDE): (a) Under Article XVIII-B, developing countries are entitled to impose and maintain quantitative restrictions on imports if they have balance of payments difficulties, provided the import restrictions so imposed or maintained shall not exceed those necessary (a) to forestall the threat of, or the stop a serious decline in its monestary reserves' or (b) in the case of a country with inadequate monetary reserves, to achieve a reasonable rate of increase in its reserves.

(b) Only United State of America has filed a case before the WTO for settlement of dispute on early removal of quantitative restriction on import. All others have worked out mutually agreed solutions with India.

(c) The Government has appointed reputed lawyers to defend India's case.